Treasury Department
Division of Monetary Research

Date........**May 31, 194 6**

To: **Mr. Glasser**

From: **Mr. Mikesell**

        Attached is a new memorandum
on Quotas and Subscriptions for
Turkey, Italy, Syria, and the
Lebanon. An additional table with
suggested quotas for Fund and Bank
for the remaining countries of the
world except Germany and Japan, is
appended.

World Fund

Quotas and Subscriptions for Prospective Members
of Fund and Bank

With their present membership, aggregate quotas for the Fund
and Bank are $7.4 billion and $7.7 billion, respectively. There is
a legal limit of $10 billion on aggregate subscriptions in the Bank
but none for the Fund. If we make allowance for those countries
represented at Bretton Woods which have not yet joined, we have left
for other members about $.8 billion in the Bank.

The quotas of four prospective members not represented at Bretton
Woods have been calculated according to the old formula which was em-
ployed at Bretton Woods as a method of first approximation. Since the
actual quotas assigned at Bretton Woods departed considerably from the
calculated quotas, generally in the downward direction, the following
quotas in the Fund and subscriptions in the Bank are suggested as
being reasonable for these countries:

(In millions of dollars)

	Calculated Quota	Suggested Fund Quota	Suggested Bank Subscription
Turkey	58	45	40
Italy	217	175	125
Syria and Lebanon	13		
Syria		5	3.5
Lebanon		5	3.5
Total	288	230	172

Following the precedent established in the determination of the
subscriptions of the countries represented at Bretton Woods, it is
suggested that the subscriptions of these countries to the Bank be
somewhat smaller than their Fund quotas. It is believed that the Bank's
position will be strengthened by reserving a somewhat larger share of
its aggregate capital subscriptions to economically stronger countries.

Assuming that the aggregate subscriptions of these four countries
would be $172 million there remains $660 million in the Bank for alloca-
tion among other countries. The only countries left of any size are the
enemy and satellite countries, Spain, Portugal, and Argentina. There
appears to be an adequate amount left in the Bank to provide for all re-
maining countries in the world except Germany and Japan.

CALCULATION OF QUOTAS

(In millions of dollars)

	2% National Income	5% Gold and Dollars	10% of Maximum Variation in Exports (1934-38)	10% Average Imports (1934-38)	Total	Total Increased by Percent Ratio of Average Exports to National Income
Italy	123	--	14.7	63.4	201.1	217
Turkey	28	13.6	4.2	8.5	54.3	58
Syria and Lebanon	6	--	1.5	4.9	12.4	13

SUGGESTED QUOTAS AND SUBSCRIPTIONS

(In millions of dollars)

	Approximate Calculated Quotas 1/	Suggested Fund Quota	Suggested Bank Subscription
Argentina	225	160	160
Switzerland	174	160	160
Sweden	159	150	150
Roumania	58	35	25
Hungary	44	25	15
Eire	45	35	30
Finland	40	30	25
Bulgaria	18	8	6
Austria	75	40	30
Saudi Arabia	3	2	1
Portugal	25	15	10
Spain	75	45	35
Siam	10	7	4
Korea	15	10	5
Afghanistan	5	3	2
Total	971	725	658

1/ Complete data for the calculation of the quotas of many of these countries are not available.